

Exhibit T

State of California ex rel. Ven-A-Care of the Florida Keys, Inc.
v. Abbott Laboratories, Inc., et al., Master Civil Action No. 01-12257-PBS,
Subcategory Case No. 06-11337

Exhibit to the December 21, 2009 Declaration of Christopher C. Palermo in Support
of Defendants Mylan Inc. and Mylan Pharmaceuticals Inc.'s. Opposition to Plaintiffs' Motion for Partial Summary
Judgment

Medi-Cal Contracting Section
Pharmacy Pricing Calculation Examples

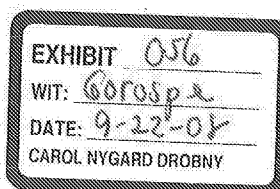
Here is the rule Medi-Cal uses to calculate its net cost per unit:

Medi-Cal's net cost per unit is calculated as the lower of AWP - 5% or Direct Price or Federal Upper Limit Price (FUL) or State Upper Limit Price (SUL), minus all manufacturer rebates. In some cases, differences in the pharmacist's fee must also be included (for example, when a new product can replace two older prescriptions, Medi-Cal will take into account the decrease in dispensing fees.)

Example 1 - Medi-Cal AMP Cost Calculation	Example 2 - Medi-Cal AMP Cost Calculation	Example 3 - Medi-Cal AMP Cost Calculation
AWP - 5% drug (most common example)	Direct Price Drug - see end for list of direct price companies	AWP - 5% Generic drug
Godziflacilin® 500 mg capsules - a single source drug manufactured by a <u>non-direct price</u> company	Godziflacilin® 500 mg capsules - a single source drug manufactured by a <u>direct price</u> company	drug manufactured by a <u>non-direct price</u> company that has no federal or state upper price limits
Price per capsule	Price per capsule	Price per capsule
AWP	AWP	AWP
AWP - 5% (calculated as AWP x 0.95)	AWP - 5% (calculated as AWP x 0.95)	AWP - 5% (calculated as AWP x 0.95)
Direct Price	Direct Price	Direct Price
Federal Upper Limit price (FUL or FAC)	Federal Upper Limit price (FUL or FAC)	Federal Upper Limit price (FUL or FAC)
State Maximum Allowable Ingredient Cost	State Maximum Allowable Ingredient Cost	State Maximum Allowable Ingredient Cost
Medi-Cal's lowest price (lowest of the above). This is the price we are willing to pay to pharmacies.	Medi-Cal's lowest price	Medi-Cal's lowest price
AMP (Average Manufacturer's Price), as reported to HCFA	AMP (Average Manufacturer's Price), as reported to HCFA	AMP (Average Manufacturer's Price), as reported to HCFA
Medi-Cal's AMP calculation In this example, Medi-Cal agrees to add a drug to the List if the manufacturer will give us a 40% rebate over HCFA	Medi-Cal's AMP calculation In this example, Medi-Cal agrees to add a drug to the List if the manufacturer will give us a 40% rebate over HCFA	Medi-Cal's AMP calculation In this example, Medi-Cal agrees to add a drug to the List if the manufacturer will give us a 40% rebate over HCFA
HCFA rebate (best price + CPI adjustments) %	HCFA rebate (best price + CPI adjustments) %	HCFA rebate (straight 11%)
California supplemental rebate %	California supplemental rebate %	California supplemental rebate %
Total rebate %	Total rebate %	Total rebate %
AMP	AMP	AMP
HCFA rebate amount (AMP x 27%)	HCFA rebate amount (AMP x 27%)	HCFA rebate amount (AMP x 11%)
Calif supplemental rebate amount (AMP x 40%)	Calif supplemental rebate amount (AMP x 40%)	Calif supplemental rebate amount (AMP x 40%)
Total rebate amount per unit	Total rebate amount per unit	Total rebate amount per unit
Therefore, Medi-Cal's cost is calculated as:	Therefore, Medi-Cal's cost is calculated as:	Therefore, Medi-Cal's cost is calculated as:
Medi-Cal's Lowest Price (AWP - 5% in this case)	Medi-Cal's Lowest Price (Direct in this case)	Medi-Cal's Lowest Price (AWP - 5% in this case)
minus total rebates	minus total rebates	minus total rebates
to give Medi-Cal's net cost	to give Medi-Cal's net cost	to give Medi-Cal's net cost

California Department of Health Services
May 17, 2009

CAAG/DHS0068437



Medi-Cal Contracting Section
Pharmacy Pricing Calculation Examples

Example 4 - Medi-Cal Net Price Cost Calculation		Example 5 - Medi-Cal Net Price Cost Calculation		Example 6 - Medi-Cal Net Price Cost Calculation	
AWP - 5% drug (most common example) Brocoticillin® 500 mg capsules - a single source drug manufactured by a <u>non-direct price</u> company		Direct Price Drug - see end for list of direct price companies Rutabagacilin® 500 mg capsules - a single source drug manufactured by a <u>direct price</u> company		AWP - 5% Generic drug drug manufactured by a <u>non-direct price</u> company that has no federal or state upper price limits	
Price per capsule		Price per capsule		Price per capsule	
AWP	\$3.00	AWP	\$3.00	AWP	\$3.00
AWP - 5% (calculated as AWP x 0.95)	\$2.85	AWP - 5% (calculated as AWP x 0.95)	\$2.85	AWP - 5% (calculated as AWP x 0.95)	\$2.85
Direct Price	N/A	Direct Price	\$2.50	Direct Price	N/A
Federal Upper Limit price (FUL or FAC)	N/A	Federal Upper Limit price (FUL or FAC)	N/A	Federal Upper Limit price (FUL or FAC)	N/A
State Maximum Allowable Ingredient Cost	N/A	State Maximum Allowable Ingredient Cost	N/A	State Maximum Allowable Ingredient Cost	N/A
Medi-Cal's lowest price (lowest of the above). This is the price we are willing to pay to pharmacies.		Medi-Cal's lowest price		Medi-Cal's lowest price	
AMP (Average Manufacturer's Price), as reported to HCFA	\$2.85	AMP (Average Manufacturer's Price), as reported to HCFA	\$2.50	AMP (Average Manufacturer's Price), as reported to HCFA	\$2.85
Medi-Cal's Net Price calculation	\$2.50	Medi-Cal's Net Price calculation	\$2.50	Medi-Cal's Net Price calculation	\$0.50
In this example, Medi-Cal agrees to add a drug to the List if the manufacturer will guarantee that Medi-Cal's price will be \$2.00 per capsule.		In this example, Medi-Cal agrees to add a drug to the List if the manufacturer will guarantee that Medi-Cal's price will be \$2.00 per capsule.		Since the AWP is inflated, the manufacturer must rebate a very large amount to reach the net price.	
Medi-Cal's lowest price	\$2.85	Medi-Cal's lowest price	\$2.50	Medi-Cal's lowest price	\$2.85
Medi-Cal's net price	-\$2.00	Medi-Cal's net price	-\$2.00	Medi-Cal's net price	-\$2.00
Difference (total amount that must be rebated from manufacturer to Medi-Cal)	\$0.85	Difference (total amount that must be rebated from manufacturer to Medi-Cal)	\$0.50	Difference (total amount that must be rebated from manufacturer to Medi-Cal)	\$0.85
Percent rebate off AMP	34%	Percent rebate off AMP	20%	Percent rebate off AMP	170%
With a net price contract, Medi-Cal's net price is the contracted price.	\$2.00	With a net price contract, Medi-Cal's net price is the contracted price.	\$2.00	With a net price contract, Medi-Cal's net price is the contracted price.	\$2.00

Drugs made by manufacturers with the following labeler codes are direct price drugs:

00003 Squibb, E.R. and Sons
00005 Lederle Laboratories
00006 Merck Sharp and Dohme
00008 Wyeth Laboratories
00009 Upjohn Company
00046 Ayerst Laboratories
00049 Roerig Div. of Pfizer, Inc.
00069 Pfizer Laboratories
00071 Parke-Davis and Company
00074 Abbott Laboratories

California Department of Health Services
May 17, 2000